

**VERMONT RAIL COUNCIL
MINUTES OF MEETING
NATIONAL LIFE BUILDING
MONTPELIER, VERMONT
February 7, 2007**

MEMBERS PRESENT: Scott Rogers for Sam Lewis, Chairperson

Dave Wulfson	Paul Guare
George Barrett	C.J. "Mike" Coates
Charlie Moore	William McCormick
Richard Moulton	Rep. Albert Sonny Audette
John Cook	Charlie Hunter

OTHERS PRESENT: Charlie Miller, VTrans Rail Operations Section
Dick Hosking, VTrans Rail Operations Section
Rep. Bill Aswad
Chris Andreasson, Vermont Transit
Anthony Otis, Railroad Association of Vermont
Nancy Rice, VTrans Rail Operations Section
Scott Bascom, VTrans
J. Jeff Munger, Sen. Jeffords Office
Jim Fitzgerald, Legislature
Susan Clark, VTrans
Christopher Parker
Mary Anne Michaels, Vermont Railway
Matt Levin, Vermonters for a Clean Environment
Paul Craven
Lee Khan
Paul Boisvenue, St. Lawrence & Atlantic Railroad
Tom McKenna, SL&A
Trini Brassard, VTrans

1. Call to Order & Approval of Minutes

In the absence of Sam Lewis out on medical leave, Scott Rogers called the meeting to order at 1:07 p.m. Introductions were made.

Approval of Minutes (12/7/06)

MOTION by George Barrett, SECOND by John Cook, to approve the 12/7/06 minute as written. VOTING: unanimous; motion carried.

2. Rail Council Membership Review

Dick Hosking reported filling the remaining vacancies on the Rail Council is in process.

3. State Rail and Policy Plan Update

Scott Bascom reported there is one remaining edit session before the plan is finalized. The finalized plan will be sent to the Secretary of Transportation for approval. Copies should be available within a month.

Sonny Audette asked about the State of New Hampshire pulling out of the high speed rail project. Scott Bascom confirmed New Hampshire withdrew from the project due to lack of interest. VTrans will be contacting the New Hampshire Agency of Transportation to discuss the matter.

4. Project Update

Dick Hosking reported work on the underpinning of the Bellows Falls tunnel continues, weather permitting. Staff is working on the list of summer projects. The list should be finalized by April.

5. Infrastructure Subcommittee

Structure of the Subcommittee

Charlie Miller reported the structure of the Infrastructure Subcommittee was developed drawing from the expertise in rail of members on the Rail Council.

Plan

Charlie Miller stated the charge of the Infrastructure Subcommittee is to develop a plan to spend the federal money received for rail projects.

Future Spending

Chris Andreasson, subcommittee member, reviewed the spending plan outlined by the subcommittee (handout titled “Rail Council Construction Finance Program 2008-2012”). Spending covers bridge projects, track improvements, the Middlebury rail spur, the Rutland and Burlington rail yards, and passenger rail to Burlington. A RIF loan application will be submitted for the Middlebury spur in FY09. The Rutland rail yard is in a transition phase due to personnel changes, and there are wetlands issues. Some progress has been made on the Burlington rail yard. The track on the ABRB-E line has been upgraded to 30 mph for passenger service. Work will proceed on the tunnel. The Green Mountain Railroad line will be upgraded to 286,000 pounds between Bellows Falls and Rutland. Other projects include track/bed upgrade for heavier gauge rail and maintenance work.

Rick Moulton asked about track and roadbed improvements on the western corridor and SAFETEA-LU funding that must be spent within five years. Dick Hosking explained a state match to the federal funds is required and that is why the projects are spaced. Mr. Moulton asked about the Middlebury rail spur and if additional outside sources of funding are expected versus state money. Mr. Hosking confirmed this, adding the same situation exists with ABRB-E. The project list will be updated if outside funding is secured. Charlie Miller clarified the spending plan is a plan that identifies funding sources and potential state money. It is likely as changes occur, the plan will be modified. Trini Brassard noted earmark funding is spread out. The state does not receive the entire

earmark in one allotment. The spending plan for rail is to be approved by the Rail Council as a recommendation to be included in the VTrans budget sent to the Governor.

Sonny Audette asked about the Middlebury rail spur and if the project is moving forward. Dick Hosking stated the EIS draft will be reviewed in the next few days. There are four in-house meetings planned to review the EIS. The draft will be out for review. Once the Record of Decision is made, design and right-of-way acquisition work will begin.

Rick Moulton asked if there are funds allocated through 2012 dealing with the Whitehall and Rutland situation. There was further discussion of the western corridor. Chris Andreasson stated the subcommittee felt the track north of Rutland was top priority. Mr. Moulton urged the Whitehall portion of rail remain in the plan. Dick Hosking stated Amtrak will not run on track out of Hoosick Falls as it now stands. Work is being done on the track from Manchester to Rutland. Mr. Moulton urged looking at a broader picture of rail beyond the Vermont border with the plan.

MOTION by Paul Guare, SECOND by George Barrett, to recommend approval of the Rail Council Construction Finance Program 2008-2012 as presented by the Rail Infrastructure Subcommittee.

DISCUSSION: Rick Moulton said he can support the plan if funding is included for the rail section south of Rutland on the Amtrak route (Whitehall to Rutland). There was further discussion of the spending plan. Charlie Miller stated he needs to determine the amount of funding needed for the Clarendon and Pittsford (CLP) segment, and will forward a revised plan to the Rail Council. Paul Guare recommended the motion be withdrawn or amended to note that additional information is forthcoming from staff regarding projects in FY09 and beyond.

AMENDMENT TO MOTION by Paul Guare, SECOND by Mike Coates, to include in the spending plan additional information from staff on the CLP line improvements for passenger rail. VOTING ON AMENDMENT: all ayes except one nay (Bill McCormick); motion carried.

VOTING ON MOTION AS AMENDED: unanimous; motion carried.

6. Passenger Rail Update

Charlie Miller reported ridership is doing well this year, running 13% ahead of the Vermonter (31,949 passengers) and 12% ahead despite poor on-time performance on the Ethan Allen Express (23,871 passengers). Charles Moore asked if the numbers are Vermont passengers only. Mr. Miller explained the ridership is passengers embarking/disembarking at any state station down to Amherst (St. Albans to Amherst). Dick Hosking mentioned the negative impact on the ridership numbers in September due to a shutdown by CSX in the fall for track work. Train passengers had to use bus service (45 seats per bus). Staff has not yet received ridership numbers for January, 2007. Rick Moulton commented many people are choosing to travel to Albany, NY to take Amtrak rather than use the Ethan Allen Express out of Rutland because Amtrak is so slow in arriving into Rutland.

7. Other Business

DMU

Charlie Miller reported staff testified to the Legislature on the DMU project. Ridership numbers for Amtrak service north/southbound (one train) and with Amtrak augmented with DMU service were reviewed. Cross-platform transfers appear to negatively impact ridership. Multiple frequency of service appears to have a positive impact on ridership. Revenues are based on money received for tickets proportioned for Vermont segments of travel.

Dave Wulfson asked if there is a change in expenses with the DMU service. The Rail Council received a copy of data showing expenses with Colorado Railcar equipment and Farmrail equipment. There was a question on revenues under the baseline scenario and Plans A & B. Charlie Miller stated the numbers were projected by the consultant based on historical ridership figures.

Paul Guare asked if approval of Colorado Railcar equipment or Farmrail equipment is the issue. Charlie Miller stated the presentation to the Legislature was in support of the proposal by Colorado Railcar. There is a proposal by Farmrail as well which was reviewed by staff. The decision was made to support the Colorado Railcar proposal. The state will likely pursue a RIF loan rather than a bond for the equipment. Scott Rogers noted staff is seeking the opinion of the Rail Council on the different service scenarios. Rick Moulton commented the process has virtually alleviated the Rail Council from the decision when the support of the Rail Council should be enlisted. The Rail Council should have been advised and an opinion solicited before presenting to the Legislature. There was continued discussion of the process relative to the DMU equipment. Mike Coates stated there are two issues: which unit to purchase and the set up (number of trains operating to meet the needs of the state). Mr. Coates mentioned his experience in trying to purchase an Amtrak ticket from Burlington to Tennessee. Travel agencies feel the Amtrak system is broken and are not recommending Amtrak to travelers. The western rail corridor is another issue along with the Rutland/Whitehall matter. Vermont should partner with New York State with regard to passenger train service. A package that is user friendly is needed. Seventeen million dollars should not be spent on a system that does not do what the state needs/wants, stressed Mr. Coates. Rick Moulton suggested a subcommittee be formed to deal with passenger rail issues and to make recommendations to the Rail Council.

MOTION by Rick Moulton, SECOND by Charlie Moore, to form a subcommittee to examine passenger rail issues.

DISCUSSION: It was noted interested individuals can submit their name for consideration or members of the Rail Council can be assigned to the subcommittee. Charlie Miller suggested the motion be amended to include the formation of the subcommittee under the newly appointed Rail Council. Rick Moulton pointed out all members can participate (the definition of “subcommittee” is a smaller representation of the larger group). Regarding issues with passenger rail service, Charlie Miller stated ticketing has been a concern for a long time. Ticket machines are needed. Stations need to create

a user friendly environment. Marketing of the service also must be addressed. Work with the Tourism & Marketing Division needs to be more proactive. Regarding the presentation to the Legislature, presentations on the rail car equipment were given to the Rail Council, Joint Fiscal Committee, and the Legislature. Mr. Miller apologized if the Rail Council feels it did not receive enough information. Sonny Audette stated the Legislature is concerned about the cost of Amtrak service, and wants to take action on the DMU equipment within the next two weeks. Trini Brassard briefly explained the process for adoption of the budget.

CALL THE QUESTION by Paul Guare. Discussion ceased.

VOTING: unanimous; motion carried.

There was further discussion of forming a subcommittee to review issues with passenger rail service. Staff noted appointments to fill vacancies on the Rail Council are anticipated to be made by the Governor in the near future. The Rail Council will discuss the matter at the next meeting. Interested parties should contact Charlie Miller. It was reiterated that the Legislature wanted to make a decision on the DMU equipment and schedule within the next two weeks. Charlie Miller reviewed the comparison report on costs and ridership between Colorado Railcar and Farmrail. Dick Hosking pointed out one set of data are from Neil Schickner (Joint Fiscal) versus AECOM (consultant). Paul Guare asked about the difference in the offer from Farmrail and Amtrak (Colorado Railcar). Charlie Miller stated there is a three year buy-out for 90% of the cost offered by Colorado Railcar. There is also a \$2 million grant from Amtrak for the new and innovative equipment. The state will have to reapply and compete for the grant if the proposal from Farmrail is selected. The \$2 million grant is for marketing and the maintenance facility for the equipment. Capital financing costs are based on the projected life of the equipment financed over 25 years. Farmrail projects a 25 year life for their equipment. Colorado Railcar projects a 40 year life for their equipment. The equipment reserve figure covers replacement of the equipment with the Farmrail proposal. Mr. Miller described the new equipment (build to suit) from Colorado Railcar versus the remanufactured equipment (new engine, new components, same frame) from Farmrail. Farmrail uses a stainless steel frame exterior. Colorado Railcar uses a carbon steel exterior frame. Colorado Railcar equipment meets current FRA crash standards. Farmrail equipment has not been assessed, but the company gave assurances that FRA standards can be met. There is question as to whether current FRA standards can be met.

Chris Andreasson mentioned the negative impact on Vermont Transit ridership by the DMU service.

Paul Guare stated it is important the Rail Council take a position to forward to the Legislature on the different service scenarios. It was felt current ridership information is needed. Charlie Miller will try to secure 2006 ridership data from Amtrak. Rick Moulton suggested including additional incentive from Amtrak that may influence revenues for Springfield and points south. Charlie Miller will update the scenario(s) showing this assumption. Sonny Audette stated there are 33,000 riders between Springfield and New Haven, and the Legislature questioned why Vermont should have to accommodate these

riders. Dick Hosking pointed out the train must pass Springfield to get to New Haven. It was noted time slots are an issue. There is additional revenue or decrease in cost to be considered in the DMU scenario. In summary, further consideration is needed of the scenarios (A, B), the equipment (Colorado Railcar, Farmrail), underutilization of equipment, and the focus being delivery of service versus revenues. There was agreement based on past legislative actions and acquisitions that the state's policy is to provide transportation service by rail or bus.

MOTION by George Barrett, SECOND by Rick Moulton, to approve the recommendation for the purchase of DMU equipment from Colorado Railcar.

DISCUSSION: Charlie Miller will forward a copy of the letter from Amtrak regarding the issue of operating the DMU equipment. The state would have to reapply for the \$2 million grant from Amtrak if Farmrail equipment is used. The state would be one in a pool of applicants for the grant. CSX has not given clearance for either set of equipment, but Colorado Railcar equipment is running on CSX lines in Florida. Rick Moulton expressed concern about the process, noting VTrans did not come to the Rail Council before going to the Legislature when the Rail Council is supposed to be an advisory council. The Rail Council should be used to help form public opinion. Sonny Audette pointed out as a member of the House Transportation Committee he sought input from the Rail Council. Input from other interested parties is also requested. There were no further comments.

VOTING: six ayes, one nay (Moore), one abstention (Wulfson); motion carried.

MOTION by George Barrett, SECOND by Rick Moulton, that the Rail Council choose a scenario for frequency of service (Scenario A or B).

DISCUSSION: Mike Coates stated there is time to look at routes, frequency, and available alternatives in the timeframe before the rail equipment arrives. Sonny Audette noted the issue of frequency of service could be delayed by the Legislature until the next session.

VOTING: prior to the vote, George Barrett withdrew the motion.

Charlie Miller suggested alerting the Legislature that the Rail Council is willing to do an analysis of best scenarios relative to frequency of service, and that a subcommittee on passenger service will be formed to discuss the issues. The subcommittee will brief the House Transportation Committee. The subcommittee will report to the full Rail Council. The recommendations and motions made by the Rail Council will be forwarded to the Secretary of Transportation who acknowledges receipt and forwards them to the Transportation Committee (House and Senate). Information on the passenger subcommittee can be included. Staff will draft a letter.

Jeff Munger asked who determines the train schedule. Charlie Miller stated once the state determines a route, Amtrak determines the schedule.

Charlie Moore asked about informing the public about the rail equipment. Charlie Miller suggested staff draft a press release covering the Rail Council's actions. The grant money covers marketing efforts as well. A publicity campaign on television and in the newspapers can also be done.

St. Lawrence & Atlantic Welded Rail Project

Staff reported the project will be finished this year.

Public/Private Partnership

Staff reported the public/private rail partnership has resulted in much progress on the rail lines in the state.

G.R.I.P.

Staff reported an RFP is underway. A report will be provided at the next Rail Council meeting.

Legislative Briefing Book

The Rail Council received a copy of "Vermont Railroads 2007 Legislative Briefing Book" from Anthony Otis.

8. Next Meeting/Agenda

Next Meeting: April 4, 2007

Next Agenda Items:

- GRIP Update
- Subcommittee on Passenger Rail Service

9. Adjournment

MOTION by George Barrett, SECOND by John Cook, to adjourn the meeting.

VOTING: unanimous; motion carried.

The meeting was adjourned at 3:50 p.m.

Minutes respectfully submitted by M.E.Riordan, Recording Secretary.

“To Do” List from 2/7/07 Rail Council Meeting:

1. Charlie Miller stated he needs to determine the amount of funding needed for the Clarendon and Pittsford (CLP) segment, and will forward a revised plan to the Rail Council.
2. Charlie Miller will try to secure 2006 ridership data from Amtrak.
3. Rick Moulton suggested including additional incentive from Amtrak that may influence revenues for Springfield and points south. Charlie Miller will update the scenario(s) showing this assumption.
4. Charlie Miller will forward a copy of the letter from Amtrak regarding the issue of operating the DMU equipment.
5. Charlie Miller suggested alerting the Legislature that the Rail Council is willing to do an analysis of best scenarios relative to frequency of service, and that a subcommittee on passenger service will be formed to discuss the issues. The subcommittee will brief the House Transportation Committee. The subcommittee will report to the full Rail Council. The recommendations and motions made by the Rail Council will be forwarded to the Secretary of Transportation who acknowledges receipt and forwards them to the Transportation Committee (House and Senate). Information on the passenger subcommittee can be included. Staff will draft a letter.
6. Charlie Moore asked about informing the public about the rail equipment. Charlie Miller suggested staff draft a press release covering the Rail Council’s actions. The grant money covers marketing efforts as well. A publicity campaign on television and in the newspapers can also be done.